

F R O S T & S U L L I V A N

BEST PRACTICES

AWARDS

F R O S T & S U L L I V A N

2020 BEST PRACTICES AWARD



**Business
Services**

ASIA-PACIFIC HOSTED IP TELEPHONY AND UCAAS
COMPETITIVE STRATEGY INNOVATION AND
LEADERSHIP AWARD

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Letter of Congratulations

I am proud to present you with this year's award for Competitive Strategy Innovation and Leadership in the hosted IP telephony and UCaaS industry.

Frost & Sullivan's global teams of analysts and consultants research a wide range of markets in multiple industries and regions and identify companies excelling in product strategies, whether in product quality, price/performance value, product differentiation, or breadth of product line. Teams are particularly interested in companies that leverage product strategies to differentiate themselves from competitors based on innovation and creativity. Against the backdrop of extensive primary and secondary research across the entire value chain of specific products, Frost & Sullivan is pleased to recognize Orange Business Services for Competitive Strategy Innovation and Leadership in the hosted IP telephony and UCaaS industry.

Achieving excellence in competitive strategy is never an easy task, and it is made even more difficult considering today's competitive intensity, customer volatility, and economic uncertainty, not to mention the difficulty of innovating in an environment of escalating challenges to intellectual property. In this context, your receipt of this award signifies an even greater accomplishment.

Frost & Sullivan recognizes that this accomplishment is the result of many employees, customers, and investors making daily choices to support the organization and contribute in a meaningful way to its future.

I enthusiastically acknowledge and celebrate these achievements and wish you great success in the future. Frost & Sullivan is here to support you on any future endeavor.

Sincerely yours,



David Frigstad
Chairman
Frost & Sullivan

Background and Company Performance

Industry Challenges

The Asia-Pacific (APAC) unified communications (UC) services market is on a growth trajectory. Increasing business collaborations, combined with a surging need for virtual communication because of the COVID-19 pandemic, has accelerated the demand for UC services.

The APAC UC service market poses the following key industry challenges:

1) Geographic inequalities make it challenging for global service providers to extend their footprint. In APAC, Australia and Japan have been exceptionally proactive in adopting cloud-based UC services as industries gradually evolve in the digital economy. Moreover, enterprises are increasingly embracing UC-as-a-service (UCaaS) to capitalize on the benefits of the cloud delivery model. The Association of Southeast Asian Nations (ASEAN) market, however, is slowly adopting UCaaS because of security concerns regarding cloud use and the complexities of digital transformation. Overall, Asian markets, compared to North America and Europe, have diverse technology readiness levels and compliance requirements, and the region experiences cultural conservatism that slows the transition to the digital economy.

2) Addressing sophisticated user requirements can be a challenge, and adopting a single solution will not suffice. Business models are fast evolving on digital platforms as COVID-19 spurs the acceleration of digital transformation. The pandemic requires the need to engage with multiple stakeholders. Moreover, enterprises that were not equipped with a business continuity plan, such as extended work-from-home and cloud migration capabilities, because of strong on-premise dependencies cannot afford consultancy services to support efforts to maximize their current information technology (IT) assets. Enterprises, however, must still adopt a solution that will help businesses transform their operational processes and meet goals, such as the seamless migration to the cloud. Successful service providers leverage expertise and best practices to meet complicated user requirements.

3) An overlap in service offerings makes it difficult for market participants to get ahead in this fiercely competitive market. Creating differentiation in terms of service delivery can be challenging, and there is an emphasis on improving the customer experience (CX) as a value-add to core offerings. To showcase their competency further and capture market share, service providers must offer solutions capable of meeting the needs of all stakeholders, such as partners and end users.

Strategy Innovation and Customer Impact

Strategy Execution

Orange Business Services (OBS), a leading global IT and communications services provider, has successfully grown its market share in China, Hong Kong, Australia, and ASEAN. Along with its core telecommunication offerings, OBS offers end-to-end

collaboration and IT solutions to meet varying client requirements. OBS continues to strengthen its service integration capabilities through the use of robotic process automation (RPA) and artificial intelligence (AI) technology. Frost & Sullivan notes the adoption of RPA embedded in the UCaaS platform empowers management efficiency. Moreover, OBS leverages its expertise as a network-native digital services company to support enhanced features, such as AI and analytics-based voice monitoring support. The company aligns with market trends by optimizing operational efficiency and otherwise helping customers successfully complete the digital transformation journey.

OBS' end-to-end and high-quality services act as a differentiator. For example, the company's consulting services involve collaborating with business owners using a proven design and co-development approach. The OBS User Adoption Service further ensures customers fully understand and can leverage a given solution's benefits.

The company's successful hybrid cloud strategy is also key as enterprises can make a smooth transition to the cloud while achieving efficiencies and cost savings. As a result, Orange Business Services is increasing its market share.

Competitive Differentiation

Industries are increasingly realizing the need for a technology-first approach, leading to the overhauling of systems and business models to support the digital economy. Also, as industries demonstrate the power of inter-organizational collaboration across regions, enterprises are seeking to expand globally to identify market growth opportunities. With its unique and extensive range of UC services to support international business expansion, OBS provides globally integrated services that local companies cannot offer.

OBS provides a single platform combined with multiple solutions to the client to improve management efficiency. Business Together, the company's flagship communication platform, is based on technology from Cisco and Microsoft. By providing an enriched end-user experience on top of its already strong value proposition, OBS is spurring technology innovation for its clients. The company's evolving Asia Competency Centre further supports end-to-end service delivery across APAC.

With the commitment to service reliability and scalability, OBS' service experts are achieving the best results for customers.

Stakeholder Integration

Orange Business Services' enriched interaction and collaboration (EIC) portfolio for both omnichannel contact centers and the modern workspace addresses fast-paced industry needs by offering differentiated value-added managed services. EIC has deeply integrated solutions to ensure cross-industry innovation. OBS also increases the CX by empowering business productivity (e.g., enabling remote work), a major value proposition during the current pandemic. Frost & Sullivan notes that the company maximizes productivity through its mobile-first strategy and intuitive embedded communication and collaboration platform. For example, OBS offers different application options, including Jabber client softphone for personal computers, Jabber Everywhere for tablets and smartphones, and hard endpoints for Cisco IP phones for executives, to support workplace mobility.

OBS' comprehensive portfolio leverages partnerships with Cisco, Microsoft, and Zoom to address market needs consistently. Business Together as a Service, OBS' cloud private branch exchange (PBX) solution based on the Cisco Hosted Collaboration Solution (HCS) technology, guarantees service-level agreements (SLAs). The Unified Computing Servers (UCSs) in high-availability configuration are fully redundant, and each UCS is located in a different datacenter to provide resiliency. Also, Webex Calling with OBS, a flexible cloud calling service, is delivered in one package. Overall, Business Together Cisco, Business Together Microsoft including Microsoft Teams Direct Routing, and Zoom Meetings are replenishing the different customer expectations.

Frost & Sullivan notes that integrating more communication functions into a single tool can significantly reduce costs. OBS' cloud-based communications platform-as-a-service (CPaaS) features Vonage's suite of programmable solutions to provide a uniquely customized and optimal user experience. Specifically, the offering ensures enterprise-grade, integrated communication capabilities at a global scale, bringing new value to customer engagement and business activities.

Business operations are also required to meet regulatory compliance challenges across international boundaries. Aside from improving enterprises' service portfolios, OBS ensures businesses meet all telecommunication and information and communications technology-related regulatory and corresponding compliance requirements. Such expertise is necessary for enterprises to implement an appropriate risk mitigation strategy and respond to evolving regulatory requirements.

Customer Ownership Experience

Orange Business Services is known for its long-standing market dominance. As a global IT and communications services provider for decades, the company provides uniquely comprehensive solutions and services, including technical consultations. OBS' professional services include consulting for user provisioning, support, and training. As a result, the company simplifies technology integration while reducing any possible risk to business operations.

To provide the right business solution that best suits customers' needs, OBS has broadened its strategic partnerships, in terms of targeting industrial specialization and focusing on the domestic market. As a certified Cisco and Microsoft partner, OBS has experience supporting large-scale global deployments. OBS leverages its in-depth consulting, integration, and managed service expertise to support and optimize digital transformation initiatives.

Moreover, extensive regional coverage supports a robust solution ecosystem, giving customers a choice and the optimal solution for their specific requirements.

Customer Service Experience

Complex hybrid IT system environments, operational inefficiencies, and the cost of digital transformation remain primary concerns for clients. The depth and coverage of services required to compete in the digital era necessitate customized offerings and organizational agility. OBS' simple yet holistic managed UC services platform enables customers to

automate and optimize their enterprise seamlessly and cost-effectively. The company's EIC portfolio further spurs business growth. Moreover, OBS' specialized end-to-end consultancy service with OpenLab enables co-innovation, empowering customers through access to in-depth industry expertise and a tailored service approach.

Frost & Sullivan appreciates that OBS is pursuing a best-in-class CX based on its philosophy that the user experience should be a strategic priority at every stage of service delivery. The company is proactively scaling its digital innovation services using application programming interfaces (APIs) and machine learning (ML). For example, OBS' Business Talk solution is integrated into the customer procurement ecosystem with API capability, simplifying management. ML-powered monitoring and diagnosis, real-time analysis, trend identification, and online analytics reporting provide managers with visibility and direct control of the business. OBS' continuous efforts to accelerate process automation for managed UC service delivery drive an outstanding CX.

Brand Equity

Orange Business Services leverages its strong brand awareness to continue extending its footprint in APAC. While the company currently has the majority of its regional operations in China, Hong Kong, and Australia, it is poised to penetrate the ASEAN market. Frost & Sullivan's research reveals that OBS brings differentiated value because of its established regional expertise and synergy of strategic domestic partnerships. Such strong collaboration with local partners allows OBS to provide tailored services that suit local conditions. As a result, customers maintain a favorable view of the company and exhibit high brand loyalty.

OBS also offers a uniquely comprehensive portfolio with service options, including Cisco Webex Calling, Microsoft Teams Direct Routing, and both Zoom Meetings and Zoom Phone. The company's broad product selection provides customers with flexibility, allowing them to choose the offerings that best support their business goals.

Conclusion

Orange Business Services has built a strong value proposition based on its compelling consultancy capabilities and the ability to implement tailored services across APAC. To enhance service quality, the company provides process automation and ensures a unique CX in the competitive hosted IP telephony and UCaaS market. With its extensive professional service experience, highly tailored service offerings, and knowledge of the global UC market, OBS is a preferred strategic partner.

Based on such extensive capabilities on a single platform, OBS is poised to continue its success in the Asian market.

With its strong overall performance, Orange Business Services has earned Frost & Sullivan's 2020 Asia-Pacific Hosted IP Telephony and UCaaS Competitive Strategy Innovation and Leadership Award.

Significance of Competitive Strategy Innovation and Leadership

Any successful approach to achieving top-line growth must take into account what competitors are and are not doing; meet customer demand with a comprehensive, value-driven product or service portfolio; and establish a brand that resonates deeply with customers and stands apart from other providers. Companies must succeed in these 3 areas (brand, demand, and positioning) to achieve best-practice levels in competitive strategy.



Understanding Competitive Strategy Innovation and Leadership

Driving demand, brand strength, and competitive differentiation play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Strategy Innovation and Customer Impact.

Key Benchmarking Criteria

For the Competitive Strategy Innovation and Leadership Award, Frost & Sullivan analysts independently evaluated Strategy Innovation and Customer Impact according to the criteria identified below.

Strategy Innovation

- Criterion 1: Strategy Effectiveness
- Criterion 2: Strategy Execution
- Criterion 3: Competitive Differentiation
- Criterion 4: Executive Team Alignment
- Criterion 5: Stakeholder Integration

Customer Impact

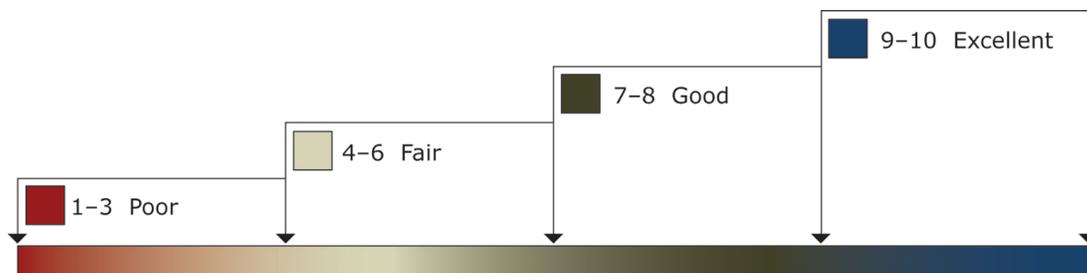
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for Orange Business Services

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows research and consulting teams to objectively analyze performance according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard considers Strategy Innovation and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

| <i>Measurement of 1-10 (1 = poor; 10 = excellent)</i> | | | |
|---|---------------------|-----------------|-----------------------|
| Competitive Strategy Innovation and Leadership | Strategy Innovation | Customer Impact | Average Rating |
| Orange Business Services | 9 | 10 | 9.5 |
| Competitor 1 | 9 | 8 | 8.5 |
| Competitor 2 | 8 | 7 | 7.5 |

Strategy Innovation

Criterion 1: Strategy Effectiveness

Requirement: Strategy effectively balances short-term performance needs with long-term aspirations and vision for the company.

Criterion 2: Strategy Execution

Requirement: Adoption of best-in-class processes supports the efficient and consistent implementation of business strategy.

Criterion 3: Competitive Differentiation

Requirement: Unique competitive advantages with regard to solution or product are clearly articulated and well accepted in the industry.

Criterion 4: Executive Team Alignment

Requirement: The executive team is aligned with the organization's mission, vision, strategy, and execution.

Criterion 5: Stakeholder Integration

Requirement: Strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

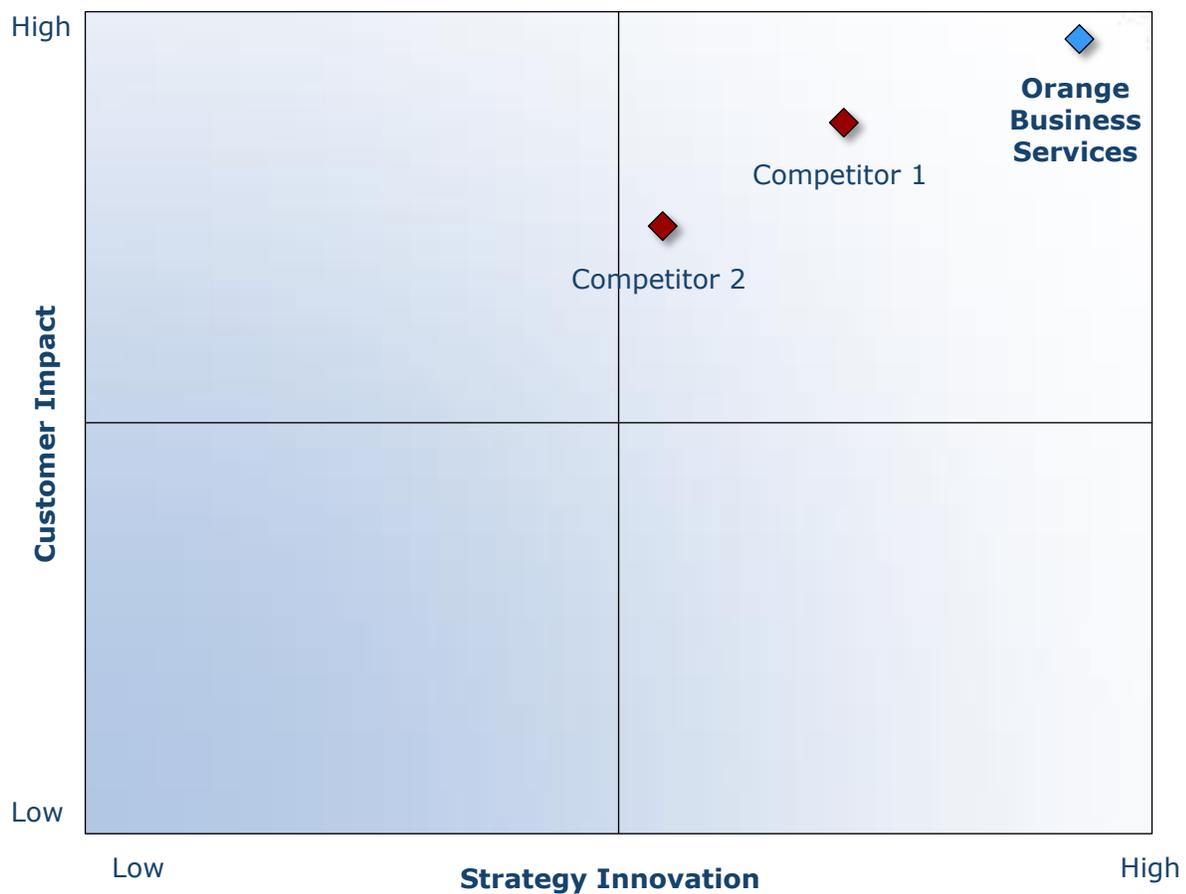
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.



Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

| STEP | OBJECTIVE | KEY ACTIVITIES | OUTPUT |
|---|--|--|--|
| 1 Monitor, target, and screen | Identify Award recipient candidates from around the world | <ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions | Pipeline of candidates that potentially meet all best practices criteria |
| 2 Perform 360-degree research | Perform comprehensive, 360-degree research on all candidates in the pipeline | <ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates | Matrix positioning all candidates' performance relative to one another |
| 3 Invite thought leadership in best practices | Perform in-depth examination of all candidates | <ul style="list-style-type: none"> • Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps | Detailed profiles of all ranked candidates |
| 4 Initiate research director review | Conduct an unbiased evaluation of all candidate profiles | <ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles | Final prioritization of all eligible candidates and companion best practices positioning paper |
| 5 Assemble panel of industry experts | Present findings to an expert panel of industry thought leaders | <ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates | Refined list of prioritized award candidates |
| 6 Conduct global industry review | Build consensus on award candidates' eligibility | <ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates | Final list of eligible award candidates, representing success stories worldwide |
| 7 Perform quality check | Develop official award consideration materials | <ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review | High-quality, accurate, and creative presentation of nominees' successes |
| 8 Reconnect with panel of industry experts | Finalize the selection of the best practices award recipient | <ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient | Decision on which company performs best against all best practices criteria |
| 9 Communicate recognition | Inform award recipient of recognition | <ul style="list-style-type: none"> • Announce award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance | Announcement of award and plan for how recipient can use the award to enhance the brand |
| 10 Take strategic action | Upon licensing, company may share award news with stakeholders and customers | <ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning | Widespread awareness of recipient's award status among investors, media personnel, and employees |

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.

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